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SECURITIES AND EXCHANGE COMMISSION

B92-22603

WASHINGTON D.C. 20549

FORM 10-Q

QUARTERLY REPORT UNDER SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

19-19C

PROCESSED
JUN 4 1992

For Quarter Ended March 31, 1992
Commission File Number 0-8874

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AMBER RESOURCES COMPANY
(Exact name of registrant as specified in its charter)

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Colorado	84-0750506
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

Suite 3310
555 Seventeenth Street
Denver, Colorado 80202
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area codes:
(303) 298-7425

Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

4,666,185 shares of common stock, $.0625 par value, were outstanding at May 28, 1992.

INDEX

		PAGE NO.
PART I	FINANCIAL INFORMATION	
ITEM 1	FINANCIAL STATEMENTS	
	Balance Sheets: March 31, 1992 and December 31, 1991.....	4
	Statements of Income: For the Three Month Periods Ended March 31, 1992 and March 31, 1991.....	6
	Statements of Cash Flows: For the Three Month Periods Ended March 31, 1992 and March 31, 1991.....	7
	Notes to Financial Statements.....	9
ITEM 2	MANAGEMENT'S ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS....	14
PART II	OTHER INFORMATION	
ITEM 6	EXHIBITS AND REPORTS ON FORM 8-K, ETC..	16

FINANCIAL INFORMATION

PART I

ITEM I. Financial Statements

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with the instructions to Form 10-Q and do not include all the information and footnotes required by generally accepted accounting principals and complete financial statements. In the opinion of management, all adjustments considered necessary for a fair presentation have been included (all of which are normal recurring accruals). Operating results for the three month period ended March 31, 1992, are not necessarily indicative of the results that may be expected for the year ended December 31, 1992.

AMBER RESOURCES COMPANY
Balance Sheets

ASSETS

	March 31, 1992 (Unaudited)	December 31, 1991 (Audited)
Current Assets		
Cash	$ 27,415	$ --
Accounts receivable	158,085	108,738
Total Current Assets	185,500	108,738
Property and Equipment		
Oil and gas properties (using the full cost method of accounting)	3,865,820	3,826,863
Less accumulated depletion, depreciation and amortization	243,164	219,664
Net Property and Equipment	3,622,656	3,607,199
Other Assets		
Deposit	40,000	40,000
Other	10,823	10,823
Total Other Assets	50,823	50,823
	$3,858,979	$3,766,760

See notes to financial statements.

AMBER RESOURCES COMPANY
Balance Sheets

LIABILITIES AND STOCKHOLDERS' EQUITY

	March 31, 1992 (Unaudited)	December 31, 1991 (Audited)
Liabilities		
Current Liabilities		
Accounts payable	$ 234,964	$ 238,389
Loan payable - affiliate	247,568	105,635
Royalties payable	513,644	464,292
Note payable	154,701	270,174
Total Current Liabilities	1,150,877	1,078,490
Long Term Liabilities		
Royalties payable	355,483	373,483
Total Long Term Liabilities	355,483	373,483
Total Liabilities	1,506,360	1,451,973
Stockholders' Equity		
Preferred stock, $1 par value, 5,000,000 shares authorized; Class A convertible preferred stock, No shares outstanding	--	--
Common stock $.0625 par value. 25,000,000 shares authorized, 4,666,185 shares issued and outstanding	291,637	291,637
Additional paid in capital	6,449,704	6,449,704
Accumulated deficit	(4,388,722)	(4,426,554)
Total Stockholders' Equity	2,352,619	2,314,787
	$3,858,979	$ 3,766,760

See notes to financial statements.

AMBER RESOURCES COMPANY
Statements of Income

	Three Months Ended March 31,	
	1992 (Unaudited)	1991 (Unaudited)
Revenues		
Oil and gas sales	$ 218,842	$ 261,080
Amortization of advanced payments	--	102,400
Interest and other	35	2,598
Total Revenues	218,877	366,078
Expenses		
Lease operating expenses	61,457	59,030
Depreciation, depletion and amortization	23,500	89,082
General and administrative	90,688	122,368
Interest expense	5,400	16,606
Total Expense	181,045	287,086
Income Before Income taxes	37,832	78,992
Income Taxes	--	--
Net Income	$ 37,832	$ 78,992
Income per Share	$ .008	$ .016
Weighted Average Number of Shares Outstanding	4,666,185	4,666,185

See notes to financial statements.

AMBER RESOURCES COMPANY
Statements of Cash Flows

	Three Months Ended March 31, 1992 (Unaudited)	1991 (Audited)
Cash Flows from Operating Activities		
Net Income	$ 37,832	$ 78,992
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation, depletion and amortization	23,500	89,082
Amortization of advance payments	--	(102,400)
Gain from sale of investment	--	(340)
Decrease (increase) in accounts receivable	(49,347)	9,761
(Increase) in prepaid expense	--	(11,970)
Decrease in other assets	--	7,860
Increase (decrease) in accounts payable	(3,425)	(213,095)
(Decrease) increase in royalties	31,352	--
Net Cash Flows from Operating Activities	2,080	(221,102)
	39,912	(142,110)
Cash Flows from Investing Activities		
Capital expenditures for oil and gas properties	(38,957)	(7,486)
Proceeds from investment held for resale	--	252,340
Net Cash Flows from Investing Activities	(38,957)	244,854
Cash Flows from Financing Activities		
Increase (decrease) in related party accounts	141,933	--
Repayment of debt	(115,473)	(106,966)
Net Cash Flows from Financing Activities	26,460	(106,966)
Increase (decrease) in Cash	27,415	(4,222)
Cash at beginning of year	--	138,744
Cash at end of year	$ 27,415	$ 134,522

See notes to financial statements.

AMBER RESOURCES COMPANY
Statement of Stockholders' Equity

	Convertible Preferred Stock		Common Stock		Additional Paid in	Accum.	Accounts	Total Stockholders'
	Shares	Amount	Shares	Amount	Capital	Deficit	Receivable	Equity
Balances-January 1, 1989	--	$ --	46,950,000	$146,719	$ 5,135,734	$(5,357,120)	$ --	$(74,667)
Issuance of common and preferred stock for oil and gas properties	1,999,908	1,999,908	20,661,350	66,793	(3,452,253)	--	--	(1,385,552)
Reverse common stock split of 20 to 1	--	--	(64,195,108)	--	--	--	--	--
Related party receivable	--	--	--	--	--	--	(2,016,727)	(2,016,727)
Net income for 1989	--	--	--	--	--	1,976	--	1,976
Balances-December 31, 1989	1,999,908	1,999,908	3,416,242	213,152	1,683,481	(5,355,144)	(2,016,727)	(3,474,970)
Reduction in related party receivable	--	--	--	--	--	--	2,016,727	2,016,727
Net income for 1989	--	--	--	--	--	317,139	--	317,139
Balances-December 31, 1990	1,999,908	1,999,908	3,416,242	213,512	1,683,481	(5,038,005)	--	(1,141,104)
Conversion of preferred stock for common stock	(1,999,908)	(1,999,908)	1,249,543	78,125	1,921,783	--	--	--
Push down accounting from Chippewa purchase	--	--	--	--	2,844,440	--	--	2,844,440
Net income for 1991	--	--	--	--	--	611,451	--	611,451
Balances-December 31, 1991	--	$ --	4,666,185	$291,637	$ 6,449,704	$(4,426,554)	$ --	$ 2,314,787

See auditors' report and notes to financial statements.

AMBER RESOURCES COMPANY
Notes to Financial Statements
March 31, 1992

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The Company is principally engaged in exploration, development and production of oil and gas. In July 1989, the Company acquired certain oil and gas properties, "the Oklahoma Properties" from the then chief executive officer and majority stockholder.

On August 21, 1991, the Company and Chippewa Resources Corporation ("Chippewa") a Denver, Colorado based oil and gas exploration and production company completed and closed a transaction whereby 72.00% of the outstanding common stock of the Company, along with certain offshore California oil and gas interests which were acquired by Chippewa from the then chief executive officer and Heafitz Energy Management, Inc. (collectively "HEMI"), were exchanged for 1,100 shares of Chippewa's restricted Series B Preferred Stock (convertible into 1,100,000 shares of common stock) valued at $3,650,000 and a $2,211,662 promissory note convertible into 1,297,220 (as of March 31, 1992) shares of Chippewa common stock. In addition, Chippewa acquired an additional 8.08 percent of the Company's outstanding common stock and therefore, owns 80.08 percent of the Company as of March 31, 1992.

Oil and Gas Properties

The Company follows the full cost method of accounting. All oil and gas properties are located in the United States. All costs incurred in the acquisition, exploration and development of properties are capitalized. Such costs include land and lease acquisition costs, delay rentals, geological and geophysical expenses, costs of drilling both productive and nonproductive wells, expenditures for production equipment and certain overhead costs associated with exploration and development activities. Amortization of proved oil and gas properties is computed using the its-of-production method based on estimated proved oil and gas reserves.

Normal sales of oil and gas properties are accounted for as adjustments of capitalized costs with no gain or losses recognized. Gain or loss is recognized only on the sale of oil and gas properties involving significant reserves.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Gas Balancing

The Company uses the sale method of accounting for amounts received from gas sales resulting from production credited to the Company in excess of its revenue interest share. Under this method, all proceeds from production credited to the Company are recorded as revenue until such time as the Company has produced its share of related estimated remaining reserves. Thereafter, additional amounts received are recorded as a liability.

Advance Payment and Recoupment Royalties

Advanced payments and recoupment royalties were related to amounts received pursuant to a take-or-pay gas settlement contract relating to certain of the Company's Oklahoma properties. The Company has committed to deliver gas quantities and pay royalties necessary to satisfy certain obligations under the settlement contract. In prior periods, advance payments were amortized and revenue was recognized as the recoupment gas was delivered to the parties in the settlement contract. Recoupment royalties included in current liabilities include amounts for gas delivered through December 31, 1991 and an estimated provision for 1992 production. Significant accounting adjustments were made subsequent to the change of control during August, 1991. (See Note 3).

Income Taxes

The provision for income taxes is based upon income recorded in the financial statements.

Income Per Common Share

Income per common share is computed by dividing net income by the weighted average number of common shares outstanding.

NOTE 2 RELATED PARTY TRANSACTIONS

In 1988, the Company farmed out a 75% undivided interest to HEMI in certain offshore oil and gas leases and received as proceeds reimbursement for certain seismic costs and delay rentals of approximately $98,000, such amount was credited to oil and gas properties. Subsequent to the offshore lease assignment, certain costs were incurred on a well drilled whereby HEMI was unable to fund its share of costs, of which the Company became liable. Consequently in 1989, the Company recorded a total receivable form HEMI for approximately $2,017,000 and a payable to the operator for the drilled well in amount of approximately $1,600,000. In 1990, both the receivable and payable were increased by $470,000. In March 1991, the Company settled the total amount due to the operator of $2,070,000 for $200,000. As a result of the settlement, the Company recorded a reduction in amounts due from HEMI of approximately $1,400,000. The Company recorded a net provision for this receivable of $247,795, which resulted in a total reserve of $715,305 and a net receivable of $238,435 as of December 31, 1990. As of August 21, 1991, HEMI transferred oil and gas properties to the Company valued at $953,740. As a result, an adjustment has been recorded in the amount of $715,305 by the Company to oil and gas properties to reflect a recovery of the previously charged reserve and at December 31, 1991, the related party receivable is paid in full.

The Company received advances from Chippewa through March 31, 1992 as part of a "Convertible Promissory note dated August 20, 1991, whereby Chippewa agreed to advance the Company up to $250,000. These advances accrue interest at the rate of 1.25 percent per month. If not paid sooner, the principal and interest is due and payable on August 20, 1992. The advances due hereunder can be convertible at the option of Chippewa, at any time, into shares of the Company's common stock at a price of $1.35 per share plus adjustments at any time prior to payment by the Company of such principal and interest.

During the period August 20, 1991 through March 31, 1992 Chippewa advanced the Company $247,568.

NOTE 3 PUSH DOWN ACCOUNTING

The acquisition by Chippewa of Amber's outstanding common stock (See Note 1) is accounted for under Accounting Principles Board Opinion #16 and, therefore, recorded at fair market value. The basis of $5,766,916 paid by Chippewa for Amber stock was $2,844,440 more than Chippewa's equity in the net assets of Amber at the date of Chippewa's acquisition of Amber stock. This $2,844,440 is "pushed down" on Amber's assets and, therefore, the cost basis in Amber's oil and gas properties are increased by $2,844,440.

Under purchase accounting for the acquisition of the Company's assets and liabilities, the consideration paid by Chippewa was allocated and adjusted to reflect management's estimates of the relative fair value of such assets. The adjusted amounts have been based on oil and gas reserve studies and computational techniques designed to approximate their fair values. The following adjustments have been made:

A. Fair value adjustments for assets and liabilities net of future tax consequences:

i) Oil and gas properties increased by;	$2,844,440
ii) Restatement of liabilities for recoupment royalties based on market price, engineering and present value adjustments with equivalent reduction of oil and gas properties;(*)	$1,388,188
iii) Elimination of non-recourse advance production payment and deferred revenue from both liabilities and oil and gas properties;	$2,138,599

* As part of the acquisition of the Company, Chippewa's management has determined that the amount of recoupment royalty owed by the Company should be adjusted to reflect actual market price estimates, revised engineering on timing of recoupments and the present value of future payments.

NOTE 3 PUSH DOWN ACCOUNTING (Continued)

Therefore, the following assumptions have been utilized:

a. market price per MCF during the month the gas was actually recouped; and

b. present value of future payments based upon updated engineering and a 10 percent discount rate starting January 1, 1991.

NOTE 4 DEBT

Debt is summarized as follows as of March 31, 1992:

Note payable to bank	$154,701
Less current portion	154,701
Long-term debt	$ --

Interest at prime plus 1% . Principal and interest are payable in 36 equal monthly installments of $40,000 commencing December 12, 1989, with the final installment due November 1992. The note payable agreement requires $40,000 be maintained as a compensating balance at the Bank until expiration of the agreement. In addition, the note payable is collateralized by certain oil and gas properties.

NOTE 5 INCOME TAXES

At March 31, 1992, the Company had a net operating loss carryforward for income tax purposes and an alternative minimuim tax carryforward of approximately $4,300,000 and $3,000,000, respectively, which expire between 1995 and 2004.

NOTE 6 SUBSEQUENT EVENT

On April 30, 1992, Chippewa acquired an additional 8.01 percent of the Company's common stock (373,885 shares) in exchange for 186,943 shares of Chippewa's restricted common stock. Therefore, at April 30, 1992, Chippewa owns 88.09 percent of the Company's outstanding common stock.

ITEM 2. MANAGEMENT'S ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

From August 20, 1991 through March 31, 1992, Chippewa Resources Corporation ("Chippewa") acquired 80.08% of the outstanding common stock of the Company (See Note to Financial Statements). As part of an August 20, 1991 Agreement, Chippewa advanced the Company $247,568 through March 31, 1992, including $141,933 during the first quarter of 1992. Management believes that comparisons between periods before and after August 21, 1991 are not meaningful as a result of certain substantial accounting changes described below and in Amber's Form 10-K for the year ending December 31, 1991.

Comparison of First Quarter 1992 to First Quarter 1991

The Company's cash flow increased by $27,415 for the three months ended March 31, 1992 as compared to a decrease in cash flow of $4,222 for the three months ended March 31, 1991. During the first quarter of 1992, the Company repaid debt of $115,473 as compared to $106,966 during the first quarter of 1991 and the Company during the first quarter of 1992 expended $38,957 to explore and develop oil and gas properties as compared to $7,486 in the first quarter of 1991.

As part of determining the Company's recoupment royalty liability as of December 31, 1991, management made certain recalculations of the liability based on actual contract terms, actual gas pricing for applicable periods, updated engineering and the historical pace of recoupment of gas, and, therefore, as of December 31, 1991, the Company reduced the recoupment royalty liability by $1,388,188 as compared to December 31, 1990. No recoupment royalties had been paid through March 31, 1992. In addition, as part of the acquisition by Chippewa of the Company's common stock, the Company eliminated from its balance sheet as of December 31, 1991, a non-recourse production payment previously listed as an advance payment liability of $2,138,599 (together with related oil and gas assets) and pushed down to the oil and gas properties $2,844,440 in cost basis (see Notes to Financial Statements).

Net income for the three months ended March 31, 1992 was $37,832 based upon total revenues of $218,877 as compared to net income for the three months ended March 31, 1991 of $78,992 based upon total revenues of $366,078. Decrease in total revenues of $147,201 from 1991 to 1992 was due primarily to the elimination of income booked for amortization of advance payments ($102,400 in 1991) (see Notes to Financial Statement) and a reduction of oil and gas sales of $42,238 due largely to lower pricing. Total expenses decreased from $287,086 for 1991 to $181,045 for 1992 primarily as a result of a reduction in depreciation, depletion and amortization ("DDA") of $65,582. The reduction in DDA was largely a result of certain California properties being considered proven in 1992 as compared to 1991 when only a part of these properties were considered proven.

Effects of Oil and Gas Price Fluctuations.

Since 1985 the fluctuations in crude oil prices, particularly the precipitous drop in 1986 of approximately 60% and the fluctuations from July 1990 through May 1992 of more than 100% upward and 50% downward, have significantly affected the Company's operations and the value of its assets. As a result of the instability and volatility of crude oil prices and the surplus of natural gas and current market conditions within the natural gas industry, financial institutions have become more selective in the energy lending area and have reduced the percentage of existing reserves that may qualify for the borrowing base to support energy loans.

The Company's principal source of cash flow is the production and sale of its crude oil and natural gas reserves which are depleting assets. Cash flow from oil and gas production sales depends upon the quantity of production and the price obtained for such production. An increase in prices permits the Company to finance its operations to a greater extent with internally generated funds, may allow the Company to obtain equity financing more easily or on better terms and lessens the difficulty of attracting financing alternatives available to the Company from industry partners and non-industry investors. However, price increases heighten the competition for leases and prospects, increase the costs of exploration and development activities, and because of potential price declines, increase the risks associated with the purchase of producing properties while prices are at higher levels.

A decline in oil and gas prices (i) reduces the cash flow internally generated by the Company which in turn reduces the funds available for servicing debt and exploring for and replacing oil and gas reserves, (ii) increases the difficulty of obtaining equity financing and worsens the terms on which such financing may be obtained, (iii) reduces the number of leases and prospects available to the Company on reasonable economic terms, (iv) may cause the Company to permit Leases to expire based upon the potential oil and gas reserves in relation to the costs of exploration, (v) results in marginally productive oil and gas wells being abandoned as non-commercial wells, and (vi) increases the difficulty of attracting financing alternatives available to the Company from industry partners and non-industry investors. However, price declines reduce the competition for leases and prospects and correspondingly reduce the prices paid for leases and prospects. Furthermore, exploration and production costs generally decline, although the decline may not be at the same rate of decline of oil and gas prices.

Seasonality.

The results of operations of the Company are somewhat seasonal due to seasonal fluctuations in the price for crude oil and natural gas and are subject to a number of factors. In recent years, crude oil prices have been generally higher in the third and forth quarters than in the first and second quarters. Due to these seasonal fluctuations, results of operations for individual quarterly periods may not be indicative of results which may be realized on an annual basis.

Inflation and Changes in Prices.

Inflation principally affects the costs required to drill, complete and operate oil and gas wells. In recent years inflation has had a minimal effect on the Company. In fact, as drilling activity in the oil and gas industry has decreased and technological advances have been made, costs have generally declined. Unless increasing oil and gas prices spur increased industry exploration activities, management believes costs will remain relatively stable over the next year.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K, ETC.

During the quarter ended March 31, 1992 the Registrant filed the following report on Form 8-K, which report is hereby incorporated by reference:

Form 8-K dated February 3, 1992

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

AMBER RESOURCES COMPANY
(Registrant)

Aleron H. Larson, Jr.
Chairman\C.E.O.

Date: May 28, 1992

INDEX

(2) Plan of Acquisition, Reorganization, Arrangement, Liquidation or Succession. Not Applicable.

(4) Instruments Defining the Rights of Security Holders, Including Indentures. Not Applicable.

(11) Statement Regarding Computation of Per Share Earnings. Not Applicable.

(15) Letter Regarding Unaudited Interim Information. Not Applicable.

(18) Letter Regarding Changes in Accounting Principals. Not Applicable.

(19) Previously Unfiled Documents. Not Applicable.

(20) Report Furnished to Security Holders. Not Applicable.

(23) Published Report Regarding Matters Submitted to Vote of Security Holders. Not Applicable.

(24) Consents of Experts and Counsel. Not Applicable.

(25) Power of Attorney. Not Applicable.

(28) Additional Exhibits. Not Applicable.